

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION

WILLARD L. SLOAN, EUGENE J.  
WINNINGHAM, and JAMES L. KELLEY,  
on behalf of themselves and a similarly  
situated class,

Plaintiffs,

Case No. 09-cv-10918  
Hon. Paul D. Borman  
Magistrate Mona K. Majzoub

v.

**Class Action**

BORGWARNER, INC., BORGWARNER  
FLEXIBLE BENEFITS PLANS and  
BORGWARNER DIVERSIFIED  
TRANSMISSION PRODUCTS, INC.,

Defendants.

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**EXHIBIT 18**

**TO**

**PLAINTIFFS' MOTION  
FOR SUMMARY JUDGMENT  
AS TO LIABILITY**

Required Notice of Non-Creditable Coverage - Medicare Retirees

**Important Notice from BorgWarner DTP Inc.**

**About Your Prescription Drug Coverage and Medicare**

**This notice contains information about changes that will occur May 1, 2009 to your current BorgWarner DTP prescription drug coverage and your options under Medicare's prescription drug coverage. Please read this notice carefully and keep it where you can find it.**

**This information can help you decide whether or not you want to join a Medicare drug plan. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.**

**EFFECTIVE MAY 1, 2009**, BorgWarner Inc. will offer a new restructured retiree health program. Under the new program, BorgWarner DTP Inc. will credit \$1,900 each year to a BorgWarner Retiree Reimbursement Account ("RRA") for each Medicare-eligible retiree (as well as \$1,900 to a separate RRA for a retiree's Medicare-eligible spouse and any dependent child on Medicare because of disability). This \$1,900 can be used to pay for health care costs, including most medical care expenses, prescription drug expenses, Medicare premiums (including premiums for a Medicare Prescription Drug Plan or Medicare Advantage Plan coverage) and premiums for Medigap or other health insurance coverage. The \$1,900 RRA credit must be used during the year it is made available; each year the \$1,900 credit will "reset" on January 1 for use during that year.

**Your RRA will not provide a specific prescription drug benefit. Instead, it can be used to buy prescription drugs directly or to purchase prescription drug coverage, including Medicare prescription drug coverage.**

You should be aware of the following information about Medicare prescription drug coverage.

1. Medicare prescription drug coverage (sometimes called "Medicare Part D") became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.
2. **Your RRA will not provide a specific prescription drug benefit and it is Not Creditable Coverage.** This means that the amount the RRA would be expected to pay on average for prescription drugs in a given year is less than what standard Medicare prescription drug coverage would be expected to pay on average. Because the RRA is Not Creditable Coverage, most likely you will get more help with your drug costs if you join a Medicare drug plan than if you only use the RRA to purchase prescription drugs.
3. You have decisions to make about Medicare prescription drug coverage that may affect how much you pay for that coverage, depending on if and when you join. Read this notice carefully, as it explains your options.

**Your current BorgWarner DTP prescription drug coverage ends April 30, 2009.** In order not to experience a gap in prescription drug coverage, you should consider joining a Medicare prescription drug plan effective May 1, 2009. If you do this, you will be covered by the RRA and at the same time have Medicare prescription drug coverage (which you can pay for through your RRA). You may sign up for a Medicare prescription drug plan during the Medicare open enrollment period that runs until April 30th, and your new election will be effective on May 1, 2009. For more information about the open enrollment period, and whether you may also qualify for a sixty (60) day Special Enrollment Period at the time your coverage under the BorgWarner DTP prescription drug coverage ends, please contact Medicare.

**If you don't join a Medicare prescription drug plan by July 1, 2009 (62 days after the current BorgWarner DTP coverage ends), you may pay a higher premium (a penalty) to join a Medicare drug plan later.** This is because if you go 63 continuous days or longer without Creditable Coverage (as we advised above, the RRA by itself is Not Creditable Coverage), your monthly premium will go up by at least 1% of the base premium per month for every month that you do not have Creditable Coverage. For example, if you go nineteen months without coverage, your premium may consistently be at least 19% higher than the base premium. You may have to pay this higher premium (penalty) as long as you have Medicare prescription drug coverage. In addition, you will generally have to wait until the following November to join a Medicare prescription drug plan because if you do not join when you are first eligible, the Medicare prescription drug enrollment period only extends from November 15 through December 31 each year.

**You need to make a decision.**

When you make your decision, you should compare the coverage and cost of the plans offering Medicare prescription drug coverage in your area.

**For more information about this notice or your current prescription drug coverage . . .**

Contact the person at BorgWarner DTP listed below for further information. You may receive this notice or a similar notice at other times in the future such as before the next period you can enroll in Medicare or if the RRA coverage changes. You may also request a copy of this notice at any time.

**For more information about your options under Medicare prescription drug coverage . . .**

More detailed information about Medicare plans that offer prescription drug coverage is in the "Medicare & You" handbook. You'll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare drug plans. For more information about Medicare prescription drug coverage:

- Visit [www.medicare.gov](http://www.medicare.gov)
- Call your State Health Insurance Assistance Program (see the inside back cover of your copy of the "Medicare & You" handbook for their telephone number) for personalized help,
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For information about this extra help, visit Social Security on the web at [www.socialsecurity.gov](http://www.socialsecurity.gov), or call them at 1-800-772-1213 (TTY 1-800-325-0778).

Date:	March 24, 2009
Name of Entity/Sender:	BorgWarner DTP Inc.
Contact--Position/Office:	Retiree Services
Address:	5401 Kilgore Ave Muncie IN 47304
Phone Number:	765-286-6292

**KEEP THIS NOTICE.** If you enroll in Medicare Prescription Drug Coverage you may need to provide a copy of this notice when you join.

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